

# PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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## MEMORANDUM

TO: Montague Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: September 11, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on August 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.25% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.



**Montague Retirement System**  
**January 1, 2018 Actuarial Valuation**

Total cost increases 5.2% per year until FY31 with a final amortization payment in FY32

<u>Fiscal Year</u>	<u>Normal Cost</u>	<u>Net 3(8)(c)</u>	<u>Amort. of 2002 ERI</u>	<u>Amort. of 2003 ERI</u>	<u>Amort. of UAL</u>	<u>Total Cost</u>	<u>Unfunded Act. Liab.</u>	<u>Change in Cost</u>
2019	856,975	30,000	44,187	64,194	869,644	1,865,000	12,112,568	
2020	895,539	30,000		64,194	972,247	1,961,980	11,947,878	5.2%
2021	935,838	30,000			1,098,164	2,064,003	11,708,959	5.2%
2022	977,951	30,000			1,163,380	2,171,331	11,386,904	5.2%
2023	1,021,959	30,000			1,232,281	2,284,240	10,971,963	5.2%
2024	1,067,947	30,000			1,305,074	2,403,021	10,453,469	5.2%
2025	1,116,005	30,000			1,381,973	2,527,978	9,819,767	5.2%
2026	1,166,225	30,000			1,463,208	2,659,433	9,058,126	5.2%
2027	1,218,705	30,000			1,549,018	2,797,723	8,154,646	5.2%
2028	1,273,547	30,000			1,639,658	2,943,205	7,094,166	5.2%
2029	1,330,856	30,000			1,735,395	3,096,252	5,860,153	5.2%
2030	1,390,745	30,000			1,836,512	3,257,257	4,434,591	5.2%
2031	1,453,329	30,000			1,943,305	3,426,634	2,797,858	5.2%
2032	1,518,728	30,000			934,002	2,482,731	928,588	-27.5%
2033	1,587,071	30,000				1,617,071	0	-34.9%

Appropriation payments assumed to be made on August 1 of each fiscal year

Normal cost assumed to increase 4.5% per year

Assumed expenses of \$260,000

FY19 amount maintained at level of current funding schedule